

ENVIRONMENTAL SERVICES DEPARTMENT

Impact Analysis Report

OVERVIEW

The Environmental Services Department administers two fee programs as part of the Integrated Waste Management Program: Source Reduction and Recycling Fees (AB939 Fees), which are described further in Exhibit A, and Franchise Application Fees.

Projected fee revenue for 2007-2008 totals \$4.155 million. This represents an increase of \$364,000 from last year, reflecting revenue projections based on the latest activity levels in the Commercial Solid Waste AB939 fee.

SUMMARY OF PROPOSED FEE REVISIONS

No fee changes are proposed for 2007-2008.

Commercial Solid Waste AB939 Fee – For 2007-2008, no change is proposed for Commercial Solid Waste AB939 fee. Fees would remain at \$0.89 per cubic yard for loose commercial solid waste and \$2.67 for compacted commercial solid waste. The equivalent weight-based AB939 fee for collection from City facilities will remain at \$14.83 per ton to stay in parallel with the volumetric (cubic yard based) fee. In addition, the Commercial Solid Waste Franchise Fees (to be

adopted through a separate resolution outside this document) will remain unchanged at \$3.67 per cubic yard for loose commercial solid waste and \$11.01 per cubic yard for compacted commercial solid waste. The total Commercial Solid Waste fee load (AB939 and Franchise Fees), would remain at \$4.56 per cubic yard (for loose waste) and \$13.68 per cubic yard for compacted waste. It should be noted that the current commercial solid waste fees and the recycling/diversion rate would remain among the lowest in the area.

Landfill AB939 Fee – The County AB939 fee charged at landfills and transfer/processing stations will remain at \$3.72 per ton of disposed waste. Pursuant to agreements between San José and Santa Clara County, \$1.50 per ton of this amount is distributed to the cities for activities related to recycling and \$2.22 is used by the County and participating cities for Household Hazardous Waste programs. The City does not collect a separate fee as long as the county-wide fee is in effect.

NOTIFICATION

General public notice of proposed fees will be provided through published Council hearing dates and a minimum of ten days for public review of the 2007-2008 Proposed Fees and Charges Report.

DEPARTMENTAL FEES AND CHARGES

ENVIRONMENTAL SERVICES

Service	2006-2007 Adopted Fee	2006-2007 % Cost Recovery		2007-2008 Proposed Fee	2007-2008 Estimated Cost	2007-2008 Estimated Revenue		2007-2008 % Cost Recovery	
						Current Fee	Proposed Fee	Current Fee	Proposed Fee
ENVIRONMENTAL SERVICES FEES - CATEGORY I									
1. Franchise Application Fees									
1 Commercial Solid Waste Application Fee	\$195 per application		No Change						
Sub-total Franchise Application Fees		100.0%			390	390	390	100.0%	100.0%
SUB-TOTAL ENVIRONMENTAL SERVICES FEES - CATEGORY I		100.0%			390	390	390	100.0%	100.0%
ENVIRONMENTAL SERVICES FEES - CATEGORY II									
1. Source Reduction and Recycling									
1 Commercial Solid Waste	\$0.89/uncompacted cubic yard collected; \$2.67/compacted cubic yard collected (paid by generators) effective August 1, 2006	78.5%	No Change		4,727,197	3,023,081	3,023,081	64.0%	64.0%
2 Commercial Solid Waste - City Facilities	\$14.83 per ton collected from City facilities in rolloff boxes		No Change			131,600	131,600		
3 Landfill	\$3.72 per ton (\$1.50 per ton San José portion - fee collected by County; \$2.22 per ton - fee collected by the County for Household Hazardous Waste Programs)		No Change			1,000,000	1,000,000		
Sub-total Source Reduction and Recycling		106.7%			4,727,197	4,154,681	4,154,681	87.9%	87.9%
SUB-TOTAL ENVIRONMENTAL SERVICES FEES - CATEGORY II		106.7%			4,727,197	4,154,681	4,154,681	87.9%	87.9%
TOTAL DEPARTMENT - NON-GENERAL FUND					4,727,587	4,155,071	4,155,071	87.9%	87.9%
TOTAL DEPARTMENT - Category I					390	390	390	100.0%	100.0%
TOTAL DEPARTMENT - Category II					4,727,197	4,154,681	4,154,681	87.9%	87.9%
TOTAL DEPARTMENT					4,727,587	4,155,071	4,155,071	87.9%	87.9%

***SOURCE REDUCTION AND RECYCLING ELEMENT PROGRAMS
FUNDED FROM AB939 FEES***

General Solid Waste Management

Provides oversight, analysis, and coordination of all Source Reduction and Recycling Element programs and activities.

Source Reduction

Provides public information and education, sampling of public opinion to determine attitudes about source reduction issues, and evaluation of different types of educational approaches, including back yard composting programs. Works with Non-Profit Recyclers and other local organizations to promote source reduction and reuse.

Commercial Recycling

Provides outreach, technical assistance, and educational assistance to the commercial sectors of the City. Also manages non-exclusive hauling franchises and the Construction & Demolition Recycling Program. Develops and implements programs to reach the City's waste reduction and diversion goals.

Evaluation Component

Provides evaluation of the effectiveness of and participation rates for the department's recycling programs, and makes recommendations for improving programs.

Market Development

Provides policy and technical analysis, program promotion, contingency planning, legislative advocacy, expansion of local recycling manufacturing activities, and expansion of City procurement of recycled products.

Civic Recycling

Provides storage containers, training, and recycling services for public areas, parks, and other City facilities. Administers City/County Funding from the State Department of Conservation for beverage container recycling. Coordinates with other City departments and outside agencies regarding litter control.